



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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March 29, 2012

The Honorable Marcus R. Oshiro, Chair,
The Honorable Marilyn B. Lee, Vice Chair, and
Members of the House Committee on Finance

SB2220 SD1HD1 RELATING TO BOILER AND ELEVATOR SAFETY LAW

Friday, March 30, 2012
2:00 p.m. Rm. 308 State Capitol

Testimony of Dwight Takamine, Director,
Department of Labor and Industrial Relations (DLIR)

Chair Oshiro, Vice Chair Lee and Members of the House Committee on Finance—DLIR appreciates the work of the Committee and the legislature in helping move this solution to the state's boiler and elevator challenges forward. DLIR also appreciates the help of the various stakeholders who have provided testimony and participated in meetings before and during the legislative vetting of this measure.

SB2220 SD1HD1 is about public safety, the economy, and jobs. With your assistance and support, the measure will allow the department, with a self-funding mechanism, to meaningfully enhance the public's safety and contribute to the ongoing economic revitalization as we recover from the Great Recession. This measure, if enacted, will enable the department to address the backlogs, reduce the construction bottleneck and give the public greater confidence in our ability to protect their safety.

The department strongly supports the measure and urges its passage. Thank you for the opportunity to provide testimony on this proposal.

The Twenty-Sixth Legislature
Regular Session of 2012

HOUSE OF REPRESENTATIVES

Committee on Finance

Rep. Marcus R. Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

State Capitol, Conference Room 308

Friday, March 30, 2012; 2:00 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2220, SD1, HD1
RELATING TO THE BOILER AND ELEVATOR SAFETY LAW**

The ILWU Local 142 supports S.B. 2220, SD1, HD1, which establishes the Boiler and Elevator Special Fund to collect and deposit fees for inspections, permits, and examinations of boilers, pressure systems, elevator, and kindred equipment, and provides for sufficient operating costs to carry out the purpose of the Boiler and Elevator Safety law.

The Hawaii Occupational Safety and Health Division went through major staff layoffs during the past several years, resulting in fewer positions for boiler and elevator inspections. This bill will allow fees to be assessed and establish a special fund to support the hiring of more inspectors to provide for regular inspection and ensure the safety of all boilers and elevators in Hawaii. Clearly, this purpose serves the public's interest.

The ILWU urges passage of S.B. 2220, SD1, HD1. Thank you for the opportunity to testify.

The Twenty-Sixth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
March 30, 2012

S.B. 2220, S.D. 1, H.D. 1 – RELATING TO THE
BOILER AND ELEVATOR SAFETY LAW

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 2220, S.D. 1, H.D. 1, which establishes the boiler and elevator special fund within the Department of Labor and Industrial Relations to collect and deposit fees for inspections, permits and examinations of boilers, pressure systems and elevators. This bill will provide a mechanism for the program to be self-sufficient and the necessary funding to hire and retain a sufficient number of qualified personnel to inspect boilers, elevators, pressure systems and amusement rides. This program is essential in protecting public health and safety.

The bill directly addresses the need for more manpower necessary to work on a backlog of inspections. Currently, about 75% of the elevators and 50% of the boilers are operating without a current permit because of overdue inspections or their permits are delayed. There is also a backlog in conducting critical load tests on elevators, internal inspections of escalators and inspection of amusement rides. By increasing its funding and being able to hire additional staff, the department can enhance public safety.

In addition, S.B. 2220, S.D. 1, H.D. 1 will help developers to obtain building and occupancy permits faster and, thus, will be able to recover costs and move on to the next project. Contractors will be better able to plan for ongoing and future construction projects and bring unemployed workers back to work. Finally, building and building operating costs will be reduced as timely permits to operate will be issued thereby assuring building insurers that the equipment is safe to operate.

We support the amendment by the Committees on Labor and Public Employment and Economic Revitalization and Business in Section 4 of the bill, which authorizes the establishment of ten additional permanent positions subject to Chapters 76 and 89, HRS, and may include a branch manager, up to the equivalent of six full-time elevator inspectors, one boiler inspector and two office assistants.

House of Representatives, Committee on Finance
Testimony by Hawaii Government Employees Association
re: S.B. 2220, S.D. 1, H.D. 1
March 30, 2012
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Thank you for the opportunity to testify in support of S.B. 2220, S.D. 1, H.D. 1.

Respectfully submitted,

Leiomalama E. Desha
Deputy Executive Director

Testimony of Glenn Ida
Representing,
The Plumbers and Fitters Union, Local 675
1109 Bethel St., Lower Level
Honolulu, Hi. 96813

In Support of SB 2220, SD1, HD1

Before the House:
Committee on Finance
Friday, Mar. 30, 2012
2:00 PM, Conference Room 308

Aloha Chair Rep. Marcus Oshiro, Vice-Chair Rep. Marilyn Lee and Members of the Committee,

My name is Glenn Ida; I represent the 1300 plus active members and about 600 retirees of the Plumbers and Fitters Union, Local 675.

Local 675 supports SB 2220, SD1, HD1, which establishes the Boiler and Elevator Special Fund for the purpose of collecting and depositing fees charged for permits, inspections, and certificates of boilers, pressure systems, elevators, and kindred equipment, and amusement rides to provide sufficient operating funds for the Boiler and Elevator Inspection Branch. Requires repayment of the start-up general revenues deposited into the special fund within five years. Effective upon approval except for fees and appropriations, which are effective on July 1, 2012.

SB2220, SD1, HD1, increases inspection fees and creates a special fund, which will enable the Boiler and Elevator Inspection Branch to be self-sufficient. The funds raised allows for the hiring of much needed, additional inspectors and staff.

The passage of this measure will afford the Boiler and Elevator Inspection Branch to address the backlog of work and stabilize it's operation to provide safe and dependable elevator service for Hawai'i.

Local 675 supports SB2220, SD1, HD1.

Thank you for this opportunity to testify.

Glenn Ida

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 30, 2012

TO: HONORABLE REPRESENTATIVES MARCUS OSHIRO, CHAIR, MARILYN LEE, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: **SUPPORT OF S.B. 2220, SD1, HD1 RELATING TO BOILER AND ELEVATOR SAFETY LAW.** Establishes the Boiler and Elevator Special Fund for the purpose of collecting and depositing fees charged for permits, inspections, and certificates of boilers, pressure systems, elevators, and kindred equipment, and amusement rides to provide sufficient operating funds for the Boiler and Elevator Inspection Branch. Requires repayment of the start-up general revenues deposited into the special fund within five years. Effective upon approval except for fees and appropriations which are effective on July 1, 2012. (SB2220 HD1)

HEARING (Finance Agenda #1)

DATE: Friday, March 30, 2012

TIME: 2:00 p.m.

PLACE: Conference Room 308

Dear Chair Oshiro, Vice Chair M. Lee and Members of the Committee,

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is celebrating its 80th anniversary this year; GCA remains the largest construction association in the State of Hawaii whose mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest. GCA is submitting testimony in **support** of S.B. 2220, SD1, HD1 Relating to Boiler and Elevator Safety Law.

S.B. 2220, SD1, HD1 includes language from previous House version of bill, H.B. 2575, HD1 and proposes to require the Department of Labor and Industrial Relations to establish a special fund to pay for the cost of operating the Boiler and Elevator Inspection Branch. All fees collected for inspections, permits and examinations of boilers and elevators shall be deposited into the fund effective July 1, 2012. The Bill also establishes a schedule of inspection and licensing fees to be charged pending establishment of a fee schedule under Chapter 91. This Bill would appropriate \$1,000,000 for fiscal year 2012-2013 from general revenues, as start up funds to be deposited into the boiler and elevator special fund, and additionally it would appropriate the sum of \$2,900,000 from the special fund to carry out this Act and hire appropriate staff.

The GCA recognizes the necessity of funds to pay for the inspections and examination of boilers and elevators since the installation and operation of defective equipment poses a danger to the general public that use elevators and come in contact with boilers and other pressure vessels.

A large number of elevators and pressure systems are operating without a current permit due to lack of sufficient staff to carry out the needed inspections. The health and safety of the general public could be jeopardized due to lack of funding to carry out the required inspections. Furthermore, projects could potentially get stalled if the appropriate safety inspections are not conducted in a timely manner.

The GCA supports S.B. 2220, SD1, HD1 given the related stakeholders agree on the fees being proposed.

Thank you for this opportunity to present our views on this measure.

The Pacific Resource
PARTNERSHIP



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership

House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

SB 2220, SD, HD1 – Relating to Boiler and Elevator Safety Law
Friday, March 30, 2012
2:00 p.m.
Conference Room 308

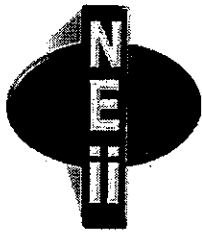
Aloha Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters, formerly the Hawaii Carpenters Union.

PRP supports SB 2220, SD1, HD1 Relating to Boiler and Elevator Safety Law which establishes a special fund and a fee schedule to increase funding to the Department of Labor and Industrial Relations (DLIR). These funds will help to hire additional inspectors which will mean increased safety for Hawaii residents.

Additional inspectors will help developers obtain building and occupancy permits faster, thereby reducing construction costs and facilitating additional construction projects.

PRP supports this measure which helps to promote public safety, job creation, and overall boost to our economy. Thank you for the opportunity to share our view with you and we respectfully ask for your **support** on SB 2220, SD1, HD1.



National Elevator Industry, Inc.

ASSOCIATION HEADQUARTERS

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Fax: 518-854-3257 WWW.NEII.ORG • E-Mail: info@neii.org

Testimony from the National Elevator Industry, Inc. (NEII)

in STRONG SUPPORT of SB 2220 HD 1 Relating to the Boiler and Elevator Safety Law

House Committee on Finance

Friday, March 30, 2012, 2:00 pm, Room 308

Aloha Chair Oshiro, Vice Chair Lee and members of the committee:

The National Elevator Industry Inc (“NEII®”) is a national trade organization representing the interests of firms that install, maintain and/or manufacture (including parts or components) elevators, escalators, moving walks and other building transportation systems. NEII member companies have significant operations across Hawaii, and we appreciate the opportunity to provide comments on SB 2220 HD 1.

NEII® is very concerned about the several year backlog of inspections in the elevator and boiler branch of the Department of Labor and Industrial Relations (DLIR). We recognize that the State’s fiscal crisis has greatly contributed to the current challenges faced by DLIR with their current limited and overburdened staff. However, the inability to timely and effectively manage the inspections of elevators and other building transportation equipment in Hawaii raises safety issues, creates construction delays and results in significant cost burdens on the commercial business community in the State.

We would hope that responsible building owners in the State would arrange for their elevator equipment to be regularly and routinely maintained with necessary repairs or replacements made but only a current operating permit and approval of critical load tests will ensure the ongoing confidence of the riding public that such equipment is truly safe to use. Fortunately, there hasn’t been an elevator related fatality in the State for quite some time. A proper inspection and test approval program would be of invaluable assistance in continuing that trend.

The administrative quagmire that the DLIR finds itself in is exacerbating the economic crisis by stalling the occupancy of buildings that could help drive the State’s economic engine back to prosperity. Delayed occupancy means a delay in the sale and/or lease of buildings. Meanwhile, construction loan payments are still required draining away precious resources from cash-strapped property owners that could be allocated to other income producing projects. Financially distressed properties lead to increasing amounts of deferred maintenance thereby creating safety concerns (including elevators, building, fire and life safety systems) as well as lost jobs for the elevator industry that services existing equipment and that installs original equipment for new projects that never get off ground due to lack of funding. More loans will go into default and foreclosure as sufficient proceeds are not available to pay outstanding debt service. Every

foreclosure and forced sale drives down the value of other area properties and makes construction lenders even more skittish about financing other projects. All of this creates a downward spiral that makes it harder for the Hawaii economy to recover from an already depressed state.

For over a year, *NEII*® has participated in a collaborative working group that includes key stakeholders in the elevator and building industries. This group has developed a strong working relationship with DLIR and we have seen a positive commitment to resolving the backlog of inspections. SB 2220 HD 1 would re-establish a revolving fund dedicated to the elevator branch which would allow the DLIR to recruit and hire suitably qualified staff for the necessary inspector positions including, most importantly, the Chief Elevator Inspector who would then be in a position to immediately fill the current leadership vacuum.

NEII®'s is the premier association representing the interests of firms that install, maintain and/or manufacture elevators, escalators, moving walks and other building transportation products. The *NEII*® membership includes the top elevator companies in the United States, if not the world, and reports more than eighty percent of the work hours for the industry. Safety for the riding public and industry professionals is one of *NEII*®'s top priorities.

Thank you for the opportunity to provide the elevator industry's comments today.

RELATING TO ENDANGERED AND THREATENED SPECIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 195D-27, Hawaii Revised Statutes, is repealed.

~~["§195D-27 Administrative enforcement of rules, plans, agreements, or licenses. (a) Any person may petition the chairperson to appoint a hearings officer to hear a request to enjoin any person, including the State and any other government agency, alleged to be in violation of this chapter, including any rule adopted pursuant to this chapter, habitat conservation plan, safe harbor agreement, or incidental take license, or to require the State to take action to enforce this chapter, including any rule adopted pursuant to this chapter or any term of a habitat conservation plan, safe harbor agreement, or incidental take license.~~

~~_____ (b) Upon receipt of a petition, the chairperson shall make a diligent effort to resolve the subject matter of the petition and, if appropriate, to cause the noncomplying or other responsible party to comply with the habitat conservation plan, safe harbor agreement, or incidental take license. If the chairperson is unable to resolve the subject matter of the petition within a period of time deemed reasonable under the circumstances, but in no event more than ninety days, or if the~~

~~petitioner is not satisfied with the chairperson's resolution of the subject matter, then the chairperson shall appoint a hearings officer to hear the petition. The hearings officer shall commence a contested case hearing in accordance with chapter 91 and, within thirty days of the completion of the hearing, grant in whole or in part, or deny the petition.~~

~~———(c) Nothing in this section shall grant any authority whatsoever upon a hearings officer to assess monetary damages or criminal penalties against any party found to be in violation of this chapter, however, the hearings officer shall issue findings of fact and, if appropriate, an order directing the party found to be in violation to take specific action to comply with this chapter.~~

~~———(d) Any person who believes that a violation of a habitat conservation plan, safe harbor agreement, or incidental take license has occurred, is occurring, or is likely to occur, may petition the chairperson for an immediate hearing. The petition shall be accompanied by an affidavit alleging:~~

~~———(1) Specific facts showing that the continued existence of an endangered or threatened species is likely to be jeopardized unless the alleged violation is immediately enjoined; and~~

~~———(2) The efforts that have been made to notify the landowner of the alleged violation.~~

~~If the chairperson finds that there exists good cause for a hearing, then a hearings officer shall be appointed who shall conduct a hearing forthwith, and in any event within forty-eight hours after the filing of the petition. If the hearings officer determines that there is a substantial likelihood that the continued existence of an endangered or threatened species will be jeopardized unless the violation is immediately enjoined, then the hearings officer shall order temporary injunctive relief, which shall expire upon such terms as the hearings officer determines."]~~

SECTION 2. Act 380, Session Laws of Hawaii 1997, as amended by Act 3, Session Laws of Hawaii 2001, and by Act 90, Session Laws of Hawaii 2006, is amended by amending section 13 to read as follows:

"SECTION 13. This Act shall take effect upon its approval; provided that no new safe harbor agreements, habitat conservation plans, or incidental take licenses issued pursuant to section 195D-4, 195D-21, or 195D-22, Hawaii Revised Statutes, shall be approved or issued subsequent to July 1, 2014 [2012]."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval; provided that section 2 of this Act shall take effect on June 30, 2012.



LOCAL UNION NO. 126



OF THE

International Union of Elevator Constructors

AFFILIATED WITH THE AFL-CIO

SUITE 314, 707 ALAKEA STREET • HONOLULU, HI 96813 • TELEPHONE (808) 536-8653 • FAX (808) 537-3779

The Twenty-Sixth Legislature
Regular Session of 2012
Hawaii State House of Representatives

Committee on Finance

Friday, March 30, 2012
2:00 p.m., Conference Room 300

Senate Bill No. 2220, SD1, HD1
Relating to the Boiler and Elevator Safety Law

Aloha Chair Oshiro, Vice-Chair Lee, and Members of the Committee:

SB2220, SD1, HD1, directly addresses the growing concern regarding the significant backlog of annual elevator inspections. Currently in Hawaii, there is approximately a seven year backlog on elevator inspections. This backlog creates a potential safety hazard for the general public.

SB2220, SD1, HD1, increase inspection fees and creates a special fund which will enable the Boiler and Elevator Inspection Branch to be self-sufficient. This measure also allows for the hiring of additional inspectors and staff and appropriation of seed money. The passage of this measure will afford the Boiler and Elevator Inspection Branch to provide safe and dependable elevator service to the general public.

We have worked diligently with various stakeholders to provide a comprehensive solution to this issue. For these reasons, the International Union of Elevator Constructors, Local 126, fully supports and urges the passage of SB2220, SD1, HD1.

Thank you for the opportunity to testify.

Respectfully submitted,

Marc Yamane
Vice-President, IUEC, Local 126